

## Message Text

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PAGE 01 PARIS 02028 01 OF 02 240939Z

13

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 RSC-01 SIL-01 DODE-00 PA-01 USIA-06

PRS-01 SP-02 /053 W

----- 022523

R 240928Z JAN 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6124

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY ROME

USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 02028

E.O. 11652: N/A

TAGS: PLAB, FR

SUBJECT: UNEMPLOYMENT STATISTICS DECEMBER 1974

1. SUMMARY. THE RATE OF INCREASE IN UNEMPLOYMENT  
MAY HAVE SLOWED DOWN IN DECEMBER BUT ITS UPWARD  
TREND CONTINUES. CGT IS RETURNING TO PREVIOUS TACTICS  
BY CHALLENGING GOF FIGURES. SOME OBSERVERS ATTRIBUTE  
THIS TO PCF-CGT EFFORT APPEAR AS MILITANT CRITICS  
OF REGIME WITHOUT ANY RISK OF LABOR UNREST, SINCE  
UNEMPLOYMENT TENDS TO REINFORCE WORKER DISCIPLINE.  
END SUMMARY.

2. THE END OF DECEMBER FIGURES JUST RELEASED BY  
LABOR MINISTRY SHOW 723,000 (660,000 SEASONALLY  
ADJUSTED) REGISTERED JOB SEEKERS WHICH REPRESENTS  
5.43 PERCENT INCREASE OVER NOVEMBER AND 57 PERCENT  
OVER DECEMBER 1973. THE 5.43 PERCENT INCREASE  
COMPARES FAVORABLY WITH 11.7 PERCENT IN OCTOBER AND  
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PAGE 02 PARIS 02028 01 OF 02 240939Z

9 PERCENT IN NOVEMBER.

3. IN CONTRAST NUMBER OF JOB OFFERS DROPPED 2.49 PERCENT IN UNADJUSTED FIGURES (125,500 INSTEAD OF 128,700 IN NOVEMBER) AND INCREASED 8.81 PERCENT IN ADJUSTED FIGURES (144,000 AGAINST 132,700). THIS SEEMS TO CONFIRM A SLIGHT CHANGE OF CLIMATE IN BUSINESS CIRCLE-WHICH AFTERHAVINGGONE THROUGH A PARTICULARLY GLOOMY PERIOD IN OCTOBER-NOVEMBER ARE IN A SLIGHTLY MORE OPTIMISTIC MOOD BECAUSE OF CUMULATIVE EVIDENCE OF GOF DETERMINATION (AND APPARENT SUCCESS) TO DEVELOP FOREIGN MARKETS AS WELL AS SUCH DOMESTIC DEVELOPMENTS AS EASING OF INFLATION RATE AND EVIDENCE OF GOF WILLINGNESS TO HELP INDUSTRIAL BRANCHES IN NEED, SUCH AS BUILDING CONSTRUCTION.

4. OTHER SOCIAL INDICATORS CONCERNING EMPLOYMENT SITUATION ARE, HOWEVER, MORE TROUBLESOME:

(A) ALTHOUGH THERE ARE NO PRECISE STATISTICS PARTIAL UNEMPLOYMENT RESULTING FROM REDUCED WORKWEEKS HAS INCREASED SUBSTANTIALLY. NUMBER OF LOST DAYS OF WORK AS MEASURED BY DAILY ASSISTANCE GIVEN TO AFFECTED EMPLOYEES ROSE FROM 312,600 IN OCTOBER TO 753,800 IN NOVEMBER (PLUS 141 PERCENT).

(B) WOMEN AND THE YOUNG ARE MOST AFFECTED BY BUSINESS SLOWDOWN. THUS WOMEN REPRESENT 52 PERCENT OF DECEMBER JOB SEEKERS WHILE 46.6 PERCENT WERE UNDER 25. THIS PROMPTED LABOR MINISTER DURAFOUR TO DECLARE ON 21 JAN THAT GOF PLANS TO INCREASE ITS EFFORT TO PROVIDE TRAINING OPPORTUNITIES FOR YOUNG WHO ARRIVE IN LABOR MARKET WITHOUT MARKETABLE SKILLS.

(C) TERTIARY SECTOR CONTINUES TO PRODUCE MAJORITY OF LAY-OFFS WITH 384,300 IN NOVEMBER AS AGAINST 264,300 PREVIOUS YEAR (45.4 PERCENT INCREASE). HOWEVER, THE CORRESPONDING PERCENTAGE INCREASE IN INDUSTRIAL SECTOR IN THE SAME PERIOD WAS 62.87 PERCENT WHICH IS SIGNIFICANT AS A TREND INDICATOR.

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PAGE 03 PARIS 02028 01 OF 02 240939Z

5. IN COMMENTING ON THE DECEMBER FIGURES OF UNEMPLOYMENT DURAFOUR WENT SO FAR AS TO SPEAK OF A "PAUSE IN UNEMPLOYMENT". HE WAS THUS REPEATING PREVIOUS STATEMENT TO THE ASSOCIATION OF LABOR REPORTERS IN WHICH HE SPOKE OF A "PLATEAU FOR REGISTERED JOB APPLICANTS". WHILE THIS IS OBVIOUSLY IN LINE WITH GOF POLICY FROM GISCARD DOWN TO PROJECT AN OPTIMISTIC VIEW OF THE ECONOMIC SITUATION, WE

BELIEVE THAT DURAFOUR OVERDID IT. PRIME MINISTER CHIRAC WAS SLIGHTLY MORE CAUTIOUS RECENTLY BY EXPRESSING ONLY CONFIDENCE THAT UNEMPLOYMENT WILL NOT REACH ONE MILLION FIGURE.

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PAGE 01 PARIS 02028 02 OF 02 241004Z

12

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INFO OCT-01 IO-10 ISO-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 RSC-01 SIL-01 DODE-00 PA-01 USIA-06

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LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 02028

6. THE IMPACT OF GROWING UNEMPLOYMENT ON WORKER DISCIPLINE AND UNION RHETORIC FOLLOWS CLOSELY TEXTBOOK SCENARIOS. PERHAPS NOTHING CAN ILLUSTRATE BETTER THIS IMPACT THAN THE FACT THAT FOR THE FIRST TIME IN THE LAST FIVE YEARS A RECENT ISSUE OF "LE MONDE" CAME OUT WITHOUT ITS "SOCIAL" PAGE. LABOR AGITATION IS LIMITED TO ACTIONS TO PREVENT LAY-OFFS OR EVEN BANKRUPTCIES AND CGT-CFDT RHETORIC SOUND INCREASINGLY UNCONVINCING IF NOT HOLLOW. A LONG MEETING (BETWEEN SEGUY, CGT SECGEN AND

NAIVE CFDT SECGEN) ON 22 JAN PRODUCED NOTHING MORE THAN A STATEMENT DEMANDING NEGOTIATIONS WITH CNPF (MANAGEMENT ASSOCIATION) TO PROVIDE RETIREMENT AT 60 AND LOWERING OF WORKWEEK TO 40 HOURS.

7. AN INTERESTING ASPECT OF TRADE UNION REACTION  
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PAGE 02 PARIS 02028 02 OF 02 241004Z

TO UNEMPLOYMENT STATISTICS IS AN APPARENT REPETITION OF THE EXPERIENCE OF 1971 AND 72 WHEN CGT AND CFDT MOUNTED A MAJOR CAMPAIGN TO CONTEST THE OFFICIAL FIGURES OF UNEMPLOYMENT IN AN OBVIOUS EFFORT TO DISCREDIT GOF. THIS CAMPAIGN, HOWEVER, BOOMERANGED BECAUSE IT HAD A DEMORALIZING EFFECT ON RANK AND FILE AS EVIDENCED BY REPEATED CGT-CFDT FAILURES TO ORGANIZE LABOR PROTESTSM IN CONTRAST, FO AND CFTC HAD COURAGEOUSLY MAINTAINED AT THE TIME THAT THERE WAS NO UNEMPLOYMENT AND THAT CGT-CFDT CAMPAIGN WAS DOING A DISSERVICE TO THE WORKING CLASS. CGT-CFDT APPARENTLY GOT THE POINT AND UNTIL RECENTLY MADE NO EFFORT TO QUESTION GOF UNEMPLOYMENT FIGURES WHILE CAMPAIGNING FOR JOB SECURITY AND HOLDING GOF POLICIES RESPONSIBLE FOR DETERIORATING ECONOMIC SITUATION. CGT IS AGAIN CHANGING TACTICS AND IS BEGINNING TO CHALLENGE THE GOF FIGURES. IN A STATEMENT ISSUED 21 JANUARY CGT CLAIMS UNEMPLOYMENT TO BE 1,120,000 COMPUTED ALLEGEDLY "ACCORDING TO ILO METHODOLOGY". THERE IS NO EXPLANATION OFFERED ABOUT THIS METHODOLOGY OR HOW IT HAS BEEN APPLIED BY CGT.

8. THERE MAY BE MORE TO THE CGT CHALLENGE OF GOF FIGURES THAN MEETS THE EYE. SOME OBSERVERS ARGUE THAT CGT, AND BY IMPLICATION PCF, ARE NOT ADVERSE TO DEMOBILIZING EFFECT OF HIGHER UNEMPLOYMENT FIGURES. THEIR MAIN PURPOSE IS TO RESTORE THEIR IMAGE AS THE MOST MILITANT CRITICS OF THE PRESENT REGIME BUT WITHOUT TAKING ANY RISKS OF CREATING A LABOR SITUATION WHICH WOULD REQUIRE THEM TO FACE THE POLITICAL QUESTION OF AN ALTERNATIVE REGIME. THIS THEORY OBVIOUSLY DRAWS UPON THE ASSUMPTION THAT THE PCF-PS QUARREL SIGNALS A PCF UNWILLINGNESS TO ACCEDE TO POWER AT THIS PARTICULAR TIME. IT WOULD BE UNWISE TO DISCARD THIS THEORY OFF-HAND EVEN IF IT DOES NOT REST ON SOLID EVIDENCE.

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## Message Attributes

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